GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4156
ANSWERED ON:10.04.2003
HIKE IN PRICES OF PETROL AND DIESEL
BHASKAR RAO PATIL;K. MURALEEDHARAN;KAMAL NATH;MANIKRAO HODLYA GAVIT;NAWAL KISHORE RAI;PADAMSEN CHAUDHARY;SUSHIL KUMAR INDORA;V. VETRISELVAN

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the prices of Petrol and Diesel have again increased in the past few months;

(b) if so, the details thereof;

(c) whether the frequent hike in prices of Petrol and diesel in the past few months had adverse effect on essential commodities;

(d) if so, whether protests have been lodged by the State Governments in this regard;

(e) if so, whether demands have been made by the State Governments to roll back such hike;

(f) if so, the reaction of the Union Government thereto;

(g)whether the sale price of Diesel and Petrol in the neighbouring countries is much cheaper as compared to our country; and

(h) if so, the mechanism to be adopted to control such hike in prices of Petrol and Diesel?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (f): With the dismantling of Administered Pricing Mechanism (APM) in the petroleum sector effective 1st April 2002, the pricing of petrol and diesel has been decontrolled. Effective 1st April 2002, the prices of petrol and diesel are not being fixed by the Government. In the post APM period, the oil marketing companies are fixing the prices of petrol and diesel after taking into account the prevalent international oil prices. Thus, the variations in the international oil prices are likely to be reflected in the domestic prices of petrol and diesel. The details of revisions in the retail selling prices of petrol and diesel at Delhi post 1st April 2002 are given at Annexure.

The increase in prices of diesel and petrol impacts directly Wholesale Price Index (WPI) based inflation through their weight in WPI. There is also an additional indirect impact of roughly equal magnitude on WPI based inflation of such increase in the prices of diesel and petrol.

(g) & (h): The selling prices of petroleum products in any country inter-alia depend upon the rates of taxes and duties in that country and as such the product prices are not comparable across different countries. The Government is monitoring the situation.

ANNEXURE

Statement showing revisions in Retail selling Price at Delhi Post 1.4.2002.

(Rs./Litre)

As on:	MS Increase/ Decrease	HSD Increase/ Decrease
01.04.2002	26.54	16.59
WEF:		
04.06.2002	28.94 2.40	17.99 1.40

16.06.2002 29.18 0.24 18.23 0.24

16.08.2002 29.00 -0.18 18.05 -0.18

01.09.2002 29.20 0.20 18.34 0.29

16.09.2002 29.66 0.46 18.68 0.34

01.10.2002 29.91 0.25 18.91 0.23

17.10.2002 30.24 0.33 19.23 0.32

1.11.2002 30.26 0.02 19.25 0.02

16.11.2002 29.57 -0.69 18.57 -0.68

1.12.2002 28.91 -0.66 18.06 -0.51

3.01.2003 29.93 1.02 19.07 1.01

16.01.2003 30.33 0.40 19.47 0.40

1.02.2003 30.71 0.38 19.84 0.37

1.03.03 32.10 1.39 21.21 1.37

16.03.03 33.49 1.39 22.12 0.91